

September 24, 2020

VIA ELECTRONIC MAIL

Luly E. Massaro, Commission Clerk
Rhode Island Public Utilities Commission
89 Jefferson Boulevard
Warwick, RI 02888

RE: Docket 3476 – Gas Service Quality Plan
Updated Request for Relief of Penalty Because of Exogenous Events

Dear Ms. Massaro:

On behalf of The Narragansett Electric Company d/b/a National Grid (“National Grid” or the “Company”), this letter and enclosed supplemental testimony¹ represent an updated request for relief of penalty under the Gas Service Quality Plan (“SQP”). Through its filing dated July 17, 2020, the Company requested partial relief of penalty for the Second Quarter (“Q2”) of Fiscal Year (“FY”) 2020 based on an exogeneous event during which the Company received twelve (12) gas leak calls in an hour on December 25, 2019 (referred to as the “Christmas Day Event”). Through its July 17, 2020 filing, the Company sought to reduce the Q2 penalty from \$273,337.08 to \$66,000.00. As updated, the Company is seeking to reduce the Q2 penalty of \$273,337.08 to \$120,471.99.

In support of the Company’s updated request, please see enclosed pre-filed direct supplemental testimony of Amy Smith, Director, New England. As explained in Ms. Smith’s supplemental testimony, following a call with the Division of Public Utilities and Carriers (“Division”), the Company conducted an updated analysis of the Christmas Day Event. The Company believes that the results of the updated analysis more accurately reflect what would have happened on December 25, 2019 had the Christmas Day Event been one (1) call instead of seven (7) calls. Accordingly, the Company updated its request for relief for Q2 based on the results of the updated analysis. Please note that the updated analysis does not impact the Company’s requested relief of penalty for the First Quarter (“Q1”) of FY 2020.

As updated, the Company’s total request for relief of penalty for FY 2020 is \$243,873.56. Broken down by quarter, the Company is requesting relief of the full Q1 penalty of \$91,008.47 and a reduction of the Q2 penalty from \$273,337.08 to \$120,471.99 (\$152,865.09).

¹ Per practice during the COVID-19 emergency period, the Company is providing a PDF version of this filing. The Company will provide the Commission Clerk with hard copies and, if needed, additional hard copies of the filing at a later date.

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Thank you for your attention to this filing. If you have any questions or concerns, please do not hesitate to contact me at 401-784-4263.

Sincerely,

A handwritten signature in blue ink, appearing to read "Andrew S. Marcaccio".

Andrew S. Marcaccio

Enclosures

cc: Docket 3476 Service List
John Bell, Division
Leo Wold, Esq.

SUPPLEMENTAL DIRECT TESTIMONY

OF

AMY SMITH

September 24, 2020

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1 **I. Introduction**

2 **Q. Please state your name and business address.**

3 A. My name is Amy Smith. My business address is 40 Sylvan Road, Waltham,
4 Massachusetts 02451.

5
6 **Q. By whom are you employed and in what capacity?**

7 A. I am employed by National Grid USA Service Company, Inc. (Service Company) as the
8 Director, New England Jurisdiction. I am the New England state jurisdictional lead for
9 all gas system issues, including those related to the capital investment strategies for
10 Narragansett Electric Company, d/b/a National Grid (National Grid or the Company). In
11 my role, I work closely with the Rhode Island Jurisdictional President and Jurisdiction
12 staff on all local gas issues related to the Rhode Island gas system in the Rhode Island
13 service territory. My responsibilities include working with regulators on issues related to
14 the gas system, developing strategies to support Company objectives regarding
15 investment in the gas system, and providing testimony regarding capital investments in
16 National Grid's gas system during state regulatory proceedings.

17
18 **Q. Did you previously submit testimony in this Docket?**

19 A. Yes. I submitted pre-filed direct testimony dated July 17, 2020. The testimony I am
20 submitting now is supplemental to my pre-filed direct testimony dated July 17, 2020.

21

1 **II. Purpose of Supplemental Direct Testimony**

2 **Q. What is the purpose of this supplemental direct testimony?**

3 A. The purpose of my supplemental direct testimony is to inform the Commission of an
4 updated analysis that the Company recently conducted regarding the Christmas Day
5 Event and modify the Company's request for relief of penalty based on the results of such
6 updated analysis.

7
8 **III. Updated Analysis of Christmas Day Event**

9 **Q. Could you summarize the Christmas Day Event?**

10 A. Yes. On December 25, 2019, the Company received twelve (12) gas leak calls in one
11 hour between 5:00 p.m.- 6:00 p.m. Of the twelve (12) odor calls, seven (7) came from a
12 concentrated area of East Providence (these seven calls are referred to herein as the
13 Christmas Day Event). The investigation of such seven calls resulted in "No Leaks
14 Found" and there was no clear indication as to the source of the foreign odor. As
15 explained in my pre-filed direct testimony dated July 17, 2020, the Company believes the
16 Christmas Day Event is an exogenous event.

17
18 **Q. Could you summarize the relief of penalty that the Company is requesting based on
19 the Christmas Day Event being an exogenous event?**

20 A. Yes. During Quarter 2 (Q2) of Fiscal Year (FY) 2020, the Company incurred a penalty
21 of \$273,337.08. Through my pre-filed direct testimony dated July 17, 2020, the

1 Company sought a reduction of the Q2 penalty from \$273,337.08 to \$66,000.00. Based
2 on the updated analysis for the Christmas Day Event, the Company is now seeking a
3 reduction of the Q2 penalty from \$273,337.08 to \$120,471.99.

4
5 **Q. What did the updated analysis of the Christmas Day Event entail?**

6 A. The Company recently ran a simulation to explore how many “makes” and “misses”¹ the
7 Company would have had on December 25, 2019 if the Christmas Day Event was one (1)
8 call as opposed to seven (7) calls. The simulation factored in odor and leak calls received
9 by the Company leading up to and immediately following the 5:00 p.m.-6:00 p.m. hour.
10 The simulation also used actual duration spent at each site and actual drive times, except
11 for one call for which drive time was derived from online directions. Based on the
12 simulation, the Company’s assumptions for availability, drive times, and arrival times for
13 leak call responses on December 25, 2019 were updated.

14
15 **Q. Why did the Company conduct the above-referenced simulation?**

16 A. On September 2, 2020, the Company and the Division of Public Utilities and Carriers
17 (Division) had a conference call to discuss the Company’s filing dated July 17, 2020.²
18 Following the call, the Company ran the above-referenced simulation. The Company

¹ For calls received after business hours or on holidays, a “make” is a leak call to which the Company responds within 45 minutes. A “miss” is a leak call to which the Company responds in more than 45 minutes.

² This filing included the Company’s request for relief of penalty based on the Christmas Day Event being an exogenous event.

1 believes that the results of the simulation more accurately reflect what would have
2 happened on December 25, 2019 had the Christmas Day Event been one (1) call instead
3 of seven (7) calls.
4

5 **Q. What were the results of the updated Christmas Day Event analysis?**

6 A. As previously mentioned, the Company received twelve (12) gas leak calls in one hour
7 between 5:00 p.m.- 6:00 p.m. The Christmas Day event consisted of seven (7) of those
8 twelve (12) calls. Had the Christmas Day Event been one (1) call instead of seven (7),
9 the Company would have received six (6) total calls between 5:00 p.m.- 6:00 p.m. The
10 original filing dated July 17, 2020 assumed five (5) makes and one (1) miss. The updated
11 analysis shows that Company would have had three (3) makes and three (3) misses.
12

13 **Q. What is the penalty relief that the Company is seeking based on the updated**
14 **analysis?**

15 A. Based on the updated analysis for the Christmas Day Event, the Company is now
16 seeking a reduction of the Q2 penalty from \$273,337.08 to \$120,471.99.
17

18 **Q. Other than what is detailed above, do you have any other updates or modifications**
19 **of your testimony dated July 17, 2020?**

20 A. No.
21

1 **Q. Factoring in the updated Q2 request for relief, what is the Company's total request**
2 **for relief of penalty?**

3 A. The Company's total requested relief of penalty for FY 2020 is \$243,873.56. Broken
4 down by quarter, the Company is requesting relief of the full Q1 penalty of \$91,008.47
5 and a reduction of the Q2 penalty from \$273,337.08 to \$120,471.99 (\$152,865.09).

6

7 **V. Conclusion**

8 **Q. Does this conclude your testimony?**

9 A. Yes

Certificate of Service

I hereby certify that a copy of the cover letter and any materials accompanying this certificate was electronically transmitted to the individuals listed below.



Joanne M. Scanlon

September 24, 2020

Date

**Docket No. 3476 – National Grid Gas - Service Quality Plan
Service list updated on 8/28/2020**

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